

# Swing Bed Facility Prospective Payment System

## INTRODUCTION

Empire Medicare Services (EMS) on behalf of the Centers for Medicare and Medicaid Services (CMS) developed this Medicare Swing Bed Prospective Payment System and Consolidated Billing (SB-PPS) training session. The training session has been prepared to assist providers and Medicare fiscal intermediaries (FIs) with the information they will need to know in order to successfully implement updates to the payment system.

This session and the training publication are designed for training individuals who will in turn, train providers and FI staff. We have provided training text, overhead slides, and reference documents to facilitate that process.

This training publication was produced incorporating the best information available at the time of publication. Please refer to the final rule as published in the *Federal Register* for authoritative guidance in the system.

This publication should not be considered an authoritative source in making Medicare Program policy determinations.

**GLOSSARY OF TERMS**

ADLs	Activities of Daily Living
AHEs	Average Hourly Earnings
ARD	Assessment Reference Date
BBA-97	Balanced Budget Act of 1997
BBRA	Medicare, Medicaid and SCHIP Balanced Budget Refinement Act of 1999
BEA	(U.S) Bureau of Economic Analysis
BIPA	Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000
BLS	(U.S.) Bureau of Labor Statistics
CAH	Critical Access Hospital
CCA	Change in Condition Assessment
CFR	Code of Federal Regulations
CLIA	Clinical Laboratory Improvements Amendments (1998)
CMS	Centers for Medicare & Medicaid Services
COTA	Comprehensive Occupational Therapist Assistant
CPI	Consumer Price Index
CPI-U	Consumer Price Index for All Urban Consumers
CPT	(Physicians) Current Procedural Terminology
CWF	Common Working File
DME	Durable Medical Equipment
DMERC	Durable Medical Equipment Regional Carrier
DOS	Dates of Service
ECI	Employment Cost Index
ESRD	End Stage Renal Disease
FI	Fiscal Intermediary
FMR	Focused Medial Review
FR	Final Rule
FY	Fiscal Year
GME	Graduate Medical Education
HCFA	Health Care Financing Administration
HCFA Pub. 10	Hospital Manual
HCFA Pub. 12	Skilled Nursing Facility Manual
HCFA Pub. 7	State Operations Manual

<b>GLOSSARY OF TERMS</b>	
HCFA Pub.13-3	Medicare Intermediary Manual, Claims Process, Part 3
HCPCS	Healthcare Common Procedure Coding System
HIPPS	Health Insurance PPS (Rate Codes)
ICD-9-CM	International Classification of Diseases, Ninth Edition, Clinical Modification
IFC	Interim Final Rule with Comment
LOA	Leave of Absence
MDS	Minimum Data Set
MEDPAR	Medicare Provider Analysis and Review (File)
MIM	Medicare Intermediary Manual
MRI	Magnetic Resonance Imaging
MSA	Metropolitan Statistical Area
NCS	National Supplier Clearinghouse
NDM	National Data Mover
NECMA	New England Country Metropolitan Area
OBRA	Omnibus Budget Reconciliation Act of 1987
OMB	Office of Management and Budget
OMRA	Other Medicare Required Assessment
OT	Occupational Therapy
PCE	Personal Care Expenditures
PIM	Program Integrity Manual
PM	Program Memorandum
POS	Point of Service
PPI	Producer Price Index
PPS	Prospective Payment System
PRM	Provider Reimbursement Manual
PT	Physical Therapy
PTA	Physical Therapist Assistant
QIO	Quality Improvement Organization (formerly the Peer Review Organization)
RAI	Resident Assessment Instrument
RAPs	Resident Assessment Protocol (Guidelines)
RUG	Resource Utilization Group
SB-MDS	Swing Bed Minimum Data Set
SB-PPS	Swing Bed Prospective Payment System
SCSA	Significant Change in Status Assessment

**GLOSSARY OF TERMS**

SNF	Skilled Nursing Facility
SNF PPS	Skilled Nursing Facility Prospective Payment System
ST	Speech Therapy
STM	Staff Time Measure

## BACKGROUND

Swing Bed Facilities Must Be Incorporated into SNF PPS by the End of the Statutory Transition Period

- Payment rates will cover most costs of furnishing covered swing bed extended care services

The Balanced Budget Act of 1997 specified that swing bed facilities must be incorporated into the Skilled Nursing Facility Prospective Payment System (SNF PPS) by the end of the statutory transition period. Beginning with cost report periods on or after July 1, 2002, swing bed facility claims will no longer be paid on the current cost-related method, but rather on the basis of the SNF PPS. These payment rates will cover the costs of furnishing covered swing bed extended care services (routine, ancillary and capital-related costs). The rates do not include costs associated with operating approved educational activities as defined in 42 CFR 413.85 and services specifically designated by the Centers for Medicare and Medicaid Services (CMS) as being excluded from the SNFPPS rate (i.e., consolidated billing exclusions).

Changes Include:

- New clinical assessment tool
- New schedule for assessing level of care
- New revenue codes (0022)
- New HIPPS
- 44 levels of payment
- Consolidated Billing issues

SNF PPS policies have been in place for skilled nursing facilities since July 1998. The change to this payment methodology includes:

- New clinical assessment tool (SB-MDS )
- New criteria for assessing medical level of care
- New revenue codes (0022) for claim submission
- New HIPPS (Health Insurance PPS) codes to report the RUG-III group and assessment that is being billed
- 44 levels of payment
- Swing beds are subject to hospital bundling provisions, except that they may separately bill any services excluded under SNF PPS consolidated billing requirements. See Chapter 3 for detailed billing instructions.

Specific to Part A  
Services Only

- Part B services in a swing bed continue to be paid as hospital Part B ancillary services

## POLICIES SPECIFIC TO SWING BED PPS

SNF PPS and Consolidated Billing are specific to Part A services only. There is no Part B swing bed benefit; therefore, ancillary services not eligible for Part A benefits will continue to be paid as hospital Part B ancillary services as described in the Medicare Hospital Manual (HCFA Pub. 10).